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DEPARTMENT OF TAXATION
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Frequently Asked Questions

Re: Motor Vehicle Use Tax Certification

December 31, 2002

Question 1: Am I required to submit a completed Form G-27, Motor Vehicle Use Tax Certification, each time I register my motor vehicle with the Motor Vehicle Registration Office?

Answer 1: If: (a) you import a motor vehicle into Hawaii; (b) your motor vehicle is a prior, current, or subsequent model year at the time you import the motor vehicle; and (c) you are registering your motor vehicle for the first time in Hawaii, you will be required to submit Form G-27 and any required supporting document to the Motor Vehicle Registration Office of the county in which you will be registering your motor vehicle.

Example:

Owner imports a 2003 model year motor vehicle into Hawaii on January 2, 2003 and registers the motor vehicle for the first-time in Hawaii. The owner generally must submit a completed Form G-27 with the application for registration of the motor vehicle to the Motor Vehicle Registration Office of the county in which the owner's motor vehicle will be registered.

Question 2: Is anyone exempt from filing Form G-27?

Answer 2: The following persons are not required to file Form G-27 with the application of motor vehicle registration:

- Dealers as defined in section 437-1.1, Hawaii Revised Statutes (HRS), who are required to submit reports to the Director of Taxation under section 238-9.5, HRS. See Department of Taxation Announcement, dated May 21, 1993, RE: Use Tax Reports by Motor Vehicle Dealers;
- A member of the United States Armed Forces on active duty and stationed in Hawaii who: (a) is not a Hawaii resident, and (b) has already paid sales or use tax on the motor vehicle to the member's home state (i.e. state of record); or
- Federal, state, or county governments.

Question 3: If I am required to file Form G-27, where may I obtain this form?

Answer 3: Form G-27 is available at (a) our website: www.state.hi.us/tax; (b) our forms request line: 587-7572 or 1-800-222-7572 (toll free); or (c) State District Tax Offices. See the end of this FAQ document for the locations of our State District Tax Offices.

Question 4: Form G-27 requires that I certify either the total use tax due on the importation of my motor vehicle has been paid or no use tax is due on the importation of my motor vehicle. In which situations would there be no use tax due?

Answer 4: Pursuant to section 238-1, HRS, the following situations are exempt from the use tax:

- The motor vehicle was imported into Hawaii for nonbusiness use by a person who: (a) acquired the vehicle outside Hawaii; (b) was a non-resident of Hawaii at the time the vehicle was acquired; (c) acquired the vehicle for use outside Hawaii; and (d) made substantial use of the vehicle outside Hawaii. If the motor vehicle was acquired less than three (3) months prior to importation into Hawaii, the vehicle will be presumed to have been acquired for use within Hawaii and will be presumed to not have been substantially used outside Hawaii unless clearly proven otherwise by the vehicle owner or by the authorized agent of the vehicle owner.

Example:

Owner imports a 2003 motor vehicle into Hawaii on January 2, 2003 and registers the motor vehicle for the first-time in Hawaii. If: (1) the owner's motor vehicle was acquired outside Hawaii; (2) the owner was a nonresident at the time of acquisition; (3) the owner's motor vehicle was acquired for use outside Hawaii; and (4) actual and substantial use of the owner's motor vehicle was made outside of Hawaii, no use tax is due.

- The motor vehicle was a gift from another person. Because the value of gifts is excluded from the definition of "use" under section 238-1, HRS, the landed value of an imported motor vehicle received as a *bona fide gift* is not subject to the use tax. An imported motor vehicle purchased with money given as a gift does not qualify for this exemption.
- The motor vehicle was purchased in a "casual sale" from a person who is not in the business of selling motor vehicles. See section 18-237-1, Hawaii Administrative Rules (HAR), for the definition of casual sale.
- The motor vehicle was imported into Hawaii for temporary use. Generally, property that is in Hawaii for 365 days or less is deemed to be imported into Hawaii for temporary use. See section 18-238-2(g)(3), HAR.
- Any sales or use tax paid to another state or country may be used to offset the use tax that would otherwise be due on the motor vehicle. If the sales or use tax paid to the other state or country is more than the use tax due on the motor vehicle, no use tax is due to Hawaii. Either an invoice or other proof of tax must be attached to Form G-27.
- For other exemptions, see (a) Appendix I at the end of the *Introduction to the Use Tax* brochure; (b) chapter 238, HRS; and (c) chapter 18-238, HAR.

Question 5: Form G-27 requires I certify either that the total use tax due on the importation of my motor vehicle has been paid or that no use tax is due on the importation of my motor vehicle. If I have paid the use tax, do I need to attach proof of the use tax payment to Form G-27?

Answer 5: Yes, you must attach proof of the use tax payment to Form G-27. The following documents may be used as proof that the use tax has been paid:

- A copy of the filed Form G-26, Use Tax Return - Imports for Consumption. Indicate the landed value of the motor vehicle and the use tax that was due (landed value x 4%).

Example:

Owner purchases a 2003 model year motor vehicle outside Hawaii for use in Hawaii and plans to have the motor vehicle imported into Hawaii on January 31, 2003. Owner will register the motor vehicle for the first-time in Hawaii.

Owner immediately registers for the use tax because: (a) owner will obtain a Use Tax Identification Number by filing Form BB-1, Basic Business Application, and will file Form G-26 to report the landed value of the imported motor vehicle and to pay the use tax due; (b) Form G-26 must be submitted with the application for registration of the motor vehicle; and (c) owner will receive a Use Tax Identification Number approximately 3 to 4 weeks after filing Form BB-1.

After receiving the Use Tax Identification Number, owner files Form G-26 reporting the landed value of the motor vehicle and the use tax due. Owner notes on Form G-26 that the landed value reported in Column A represents the landed value of the imported motor vehicle and the use tax represents the use tax liability on the landed value of the imported motor vehicle.

Owner must attach the filed Form G-26 to the completed Form G-27 and submit these forms with the application for registration of the motor vehicle to the Motor Vehicle Registration Office of the county in which the motor vehicle will be registered.

- A copy of the filed Form G-45, General Excise/Use Tax Return. Indicate on Line 18 the landed value of the motor vehicle and the use tax that was due (landed value x 4%).

Example:

Owner purchases a 2003 model year motor vehicle outside Hawaii for use in Hawaii and plans to have the motor vehicle imported into Hawaii on January 31, 2003. Owner will register the motor vehicle for the first-time in Hawaii.

Owner has a General Excise Tax Identification Number and files Form G-45 on a monthly basis. Owner files Form G-45 for the month of January 2003 on January 31, 2003 reporting only the landed value of the motor vehicle and the use tax due on Line 18, Form G-45, because: (a) a completed Form G-27 must be submitted with the application for registration of the motor vehicle; and (b) Form G-45 for the month of January 2003 is due on February 28, 2003. Owner notes on Form G-45 that the landed value reported on Line 18, Column A, represents the landed value of the imported motor vehicle and the use tax reported on Line 18, Column D, represents the use tax liability on the landed value of the imported motor vehicle.

Owner must attach the filed Form G-45 to the completed Form G-27 and submit these forms with the application for registration of the motor vehicle to the Motor Vehicle Registration Office of the county in which the motor vehicle will be registered.

Please note that in this example the owner must file an amended Form G-45 for the month of January 2003 to report the owner's gross income on Lines 1 through Lines 16, Form G-45 and to report any other transactions on Line 17 and Line 18, Form G-45, for the month of January 2003. To file an amended Form G-45 for the month of January 2003, the owner would file Form G-54, Amended Periodic General Excise/Use Tax Return, and would report the gross income on Lines 1 through Lines 16, Form G-45 and all applicable transactions on Line 17 and Line 18, Form G-45 (which would include the landed value of the imported motor vehicle and the use tax due on the landed value of the imported motor vehicle).

- A copy of the filed letter, which was filed in lieu of Form G-26, containing the following information: (1) purchaser's name; (2) purchaser's social security number; (3) date the motor vehicle was imported; (4) make of the motor vehicle; (5) vehicle identification number (17-digit VIN); and (6) the landed value of the motor vehicle.

Example:

Owner purchases a 2003 model year motor vehicle outside Hawaii for use in Hawaii and plans to have the motor vehicle imported into Hawaii on January 31, 2003. Owner will register the motor vehicle for the first-time in Hawaii.

Owner has neither a Use Tax Identification Number nor a General Excise Tax Identification Number and is not required to have a use tax license or a general excise tax license.

Owner submits payment of the use tax and a signed letter to the Department of Taxation on January 31, 2003 containing the following information:

- (1) purchaser's name;
- (2) purchaser's social security number;
- (3) date the motor vehicle was imported;
- (4) make of the motor vehicle;
- (5) vehicle identification number (17-digit VIN); and
- (6) the landed value of the motor vehicle.

Owner must submit a copy of this signed letter with the application for registration of the motor vehicle to the Motor Vehicle Registration Office of the county in which the motor vehicle will be registered.

Question 6: How do I complete the Form G-27?

Answer 6: Complete Form G-27 by:

- (1) Reporting the make of the motor vehicle, its vehicle identification number (17-digit VIN);
- (2) Either: (a) checking box 1 and attaching a copy of the filed Form G-26, Form G-45, or signed letter or (b) checking box 2 and attaching any required supporting document;

- (3) Signing at the bottom of Form G-27; and
- (4) Providing owner's information at the bottom of Form G-27.

Question 7: How do I find information about Hawaii's use tax?

Answer 7: General information on Hawaii's use tax may be found in the *Introduction to the Use Tax* brochure and Tax Facts No. 95-1, All About the Hawaii Use Tax. These publications are available at: (a) our website: www.state.hi.us/tax; (b) our forms request line: 587-7572 or 1-800-222-7572 (toll free); or (c) State District Tax Offices. See the end of this FAQ document for the locations of our State District Tax Offices.

Question 8: I read the *Introduction to the Use Tax* brochure and Tax Facts No. 95-1, All About the Hawaii Use Tax, and need more information on calculating the landed value of my motor vehicle. Is there any additional publication explaining the calculation of the landed value of my motor vehicle?

Answer 8: More information on the calculation of the landed value of your motor vehicle is available in Tax Information Release (TIR) No. 93-3, RE: Calculation of Use Tax Base on Motor Vehicles Imported into Hawaii for Use as Provided under Chapter 238, Hawaii Revised Statutes (HRS) for the calculation of landed value. TIR No. 93-3 is available at (a) our website: www.state.hi.us/tax, (b) our forms request line: 587-7572 or 1-800-222-7572 (toll free), or (c) State District Tax Offices. See the end of this FAQ document for the locations of our State District Tax Offices.

STATE DISTRICT TAX OFFICE ADDRESSES & TELEPHONE NUMBERS

<p>Oahu District Tax Office 830 Punchbowl Street P. O. Box 259 Honolulu, HI 96809-0259 Telephone No.: 808-587-4242 Jan.-April 20: 808-587-6515 Toll-Free: 1-800-222-3229 Fax No.: 808-587-1488 Email: Taxpayer_Services@tax.state.hi.us</p> <p>Telephone Devices for the Deaf (TDD) Tax Service & Processing 808-587-1418 Toll-Free: 1-800-887-8974</p>	<p>Maui District Tax Office 54 South High Street #208 P. O. Box 1169 Wailuku, HI 96793-1169 Telephone No.: 808-984-8500 Fax No.: 808-984-8522 Email: Maui_Office@tax.state.hi.us</p>
<p>Hawaii District Tax Office 75 Aupuni Street #101 P. O. Box 833 Hilo, HI 96721-0833 Telephone No.: 808-974-6321 Fax No.: 808-974-6300 Email: Hilo_Office@tax.state.hi.us</p>	<p>Kauai District Tax Office 3060 Eiwa Street #105 Lihue, HI 96766-1889 Telephone No.: 808-274-3456 Fax No.: 808-274-3461 Email: Kauai_Office@tax.state.hi.us</p>

This FAQ sheet is not intended to be a complete statement of the law. Subsequent developments in the law (legislation, rules, cases, etc.) should be consulted.